

Energy Efficiency Question 22: How has Michigan or other jurisdictions designed their efficiency standards to adapt to unforeseen circumstances, or proposed to do so? What methods beyond legislative changes have been considered or implemented?

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### **Executive summary**

1. Meeting energy efficiency standards, which requires voluntary participation by homeowners, businesses, and other utility customers as well as the need to “stay ahead of the curve” to exceed minimum efficiency standards (e.g., for lighting, appliances, building codes, etc.), requires flexibility, creativity, and innovation to reach specified savings targets.
2. A regulatory framework that provides utilities a multi-year savings target, the ability to bank savings from one year to the next, large degree of flexibility, and the ability to carry-over unspent dollars into subsequent years, provides more flexibility to achieve overall savings targets.
3. Michigan, Massachusetts, California, Ohio, Oregon, Wisconsin, Maine, and Washington, all allow for utilities to develop and submit multi-year plans for approval by the regulatory body.

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**1. Meeting energy efficiency standards, which requires voluntary participation by homeowners, businesses, and other utility customers as well as the need to “stay ahead of the curve” to exceed minimum efficiency standards (e.g., for lighting, appliances, building codes, etc.), requires flexibility, creativity, and innovation to reach specified savings targets.**

The acquisition of energy efficiency savings, via voluntary participation, requires flexibility, creativity, and innovation to reach specified savings targets. The most progressive energy efficiency standards provide utilities significant flexibility to design and modify their program offerings (e.g. measures, incentive levels, programs, re-allocation of budget, etc.) so as to capitalize on emerging opportunities or make rapid mid-course changes, without the delay of regulatory review/approval.

**2. A regulatory framework that provides utilities a multi-year savings target, the ability to bank savings from one year to the next, large degree of flexibility, and the ability to carry-over unspent dollars into subsequent years, provides more flexibility to achieve overall savings targets.**

To achieve flexibility that effectively enables emerging opportunities or mid-course changes is often managed by submission of multi-year energy efficiency plans (e.g. 3-5 years), with corresponding updates of annual results and changes, as well as benefit-cost findings.

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A regulatory framework that provides utilities a multi-year savings target, the ability to bank savings from one year to the next, large degree of flexibility, and the ability to carry-over unspent dollars into subsequent years, provides more flexibility to achieve overall savings targets. Michigan follows this progressive example by requiring their utilities to submit plans that cover multiple years. In addition, as examples, Massachusetts, California, Ohio, Oregon, Wisconsin, Maine, and Washington all allow for utilities to develop and submit multi-year plans for approval by the regulatory body with some variation (e.g., Energy Trust of Oregon submits a four year strategic plan with annual action plans, California allows for transition year planning between cycles).

**3. Michigan, Massachusetts, California, Ohio, Oregon, Wisconsin, Maine, and Washington, all allow for utilities to develop and submit multi-year plans for approval by the regulatory body.**

**Table 1. Energy Efficiency Resource Planning Schedules by Comparison Jurisdiction**

Jurisdiction	Planning Schedule
Michigan	Four year planning schedule
Massachusetts	Three year planning schedule
Wisconsin	Multi-year planning schedule
Illinois	Three year planning schedule
Iowa	Multi-year planning schedule
Minnesota	Three year planning schedule
Vermont	Annual planning schedule with three year strategic planning
California	Three year plans with transition year planning
Ohio	Three year planning schedule
Connecticut	Annual planning
Oregon	Four year strategic plans with annual action plans
Maine	Three year planning schedule
Washington	Two year planning schedule